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**TRANSPORTATION**  
**EXECUTIVE BUDGET BILL**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2008; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this bill, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this bill for the fiscal year ending September 30, 2008, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**STATE TRANSPORTATION DEPARTMENT**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	3,029.3
GROSS APPROPRIATION.....	\$ 3,365,255,600
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
ADJUSTED GROSS APPROPRIATION.....	\$ 3,365,255,600

1	Federal revenues:	
2	Total federal revenues.....	1,200,740,600
3	Special revenue funds:	
4	Total local revenues.....	42,850,000
5	Total private revenues.....	0
6	Total other state restricted revenues.....	2,121,665,000
7	State general fund/general purpose.....	\$ 0
8	<b>Sec. 102. DEBT SERVICE</b>	
9	State trunkline.....	\$ 170,934,500
10	Economic development.....	14,609,400
11	Local bridge fund.....	3,000,000
12	Blue Water Bridge.....	1,751,800
13	Airport safety and protection plan.....	2,533,700
14	Comprehensive transportation.....	<u>30,782,800</u>
15	GROSS APPROPRIATION.....	\$ 223,612,200
16	Appropriated from:	
17	Federal revenues:	
18	DOT-FHWA, highway research, planning, and construction	55,080,000
19	Special revenue funds:	
20	Blue Water Bridge fund.....	1,751,800
21	Comprehensive transportation fund.....	29,841,900
22	Economic development fund.....	14,609,400
23	Local bridge fund.....	3,000,000
24	State aeronautics fund.....	3,474,600
25	State trunkline fund.....	115,854,500
26	State general fund/general purpose.....	\$ 0
27	<b>Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY</b>	
28	<b>SUPPORT SERVICES</b>	
29	MTF grant to department of environmental quality.....	\$ 1,057,000

1	MTF grant to department of state for collection of	
2	revenue and fees .....	20,000,000
3	MTF grant to department of treasury.....	8,004,600
4	MTF grant to legislative auditor general.....	204,300
5	STF grant to department of attorney general.....	2,807,200
6	STF grant to department of civil service.....	2,700,000
7	STF grant to department of history, arts and	
8	libraries .....	133,100
9	STF grant to department of management and budget.....	1,502,200
10	STF grant to department of state police.....	9,564,800
11	STF grant to department of treasury.....	199,500
12	STF grant to legislative auditor general.....	474,600
13	SAF grant to department of attorney general.....	156,900
14	SAF grant to department of civil service.....	55,000
15	SAF grant to department of history, arts and	
16	libraries .....	2,300
17	SAF grant to department of management and budget.....	38,700
18	SAF grant to department of treasury.....	73,600
19	SAF grant to legislative auditor general.....	19,600
20	CTF grant to department of attorney general.....	159,000
21	CTF grant to department of civil service.....	95,000
22	CTF grant to department of history, arts and	
23	libraries .....	3,800
24	CTF grant to department of management and budget.....	62,100
25	CTF grant to department of treasury.....	1,300
26	CTF grant to legislative auditor general.....	<u>25,200</u>
27	GROSS APPROPRIATION.....	\$ 47,339,800
28	Appropriated from:	
29	Special revenue funds:	

1	Comprehensive transportation fund.....	346,400
2	Michigan transportation fund.....	29,265,900
3	State aeronautics fund.....	346,100
4	State trunkline fund.....	17,381,400
5	State general fund/general purpose..... \$	0
6	<b>Sec. 104. EXECUTIVE DIRECTION</b>	
7	Full-time equated unclassified positions .....6.0	
8	Full-time equated classified positions .....31.3	
9	Unclassified salaries..... \$	532,200
10	Asset management council.....	1,626,400
11	Commission audit--31.3 FTE positions.....	<u>3,498,100</u>
12	GROSS APPROPRIATION..... \$	5,656,700
13	Appropriated from:	
14	Special revenue funds:	
15	Michigan transportation fund.....	1,626,400
16	State trunkline fund.....	4,030,300
17	State general fund/general purpose..... \$	0
18	<b>Sec. 105. BUSINESS SUPPORT</b>	
19	Full-time equated classified positions .....78.0	
20	Business support services--48.0 FTE positions..... \$	5,817,300
21	Human resources services--21.0 FTE positions.....	2,441,800
22	Economic development and enhancement services--9.0 FTE	
23	positions .....	1,151,700
24	Property management.....	9,266,800
25	Human resources optimization user charges.....	205,000
26	Worker's compensation.....	<u>2,146,000</u>
27	GROSS APPROPRIATION..... \$	21,028,600
28	Appropriated from:	
29	Special revenue funds:	

1	Comprehensive transportation fund.....	1,324,000
2	Economic development fund.....	494,200
3	Michigan transportation fund.....	179,000
4	State aeronautics fund.....	668,700
5	State trunkline fund.....	18,362,700
6	State general fund/general purpose..... \$	0
7	<b>Sec. 106. INFORMATION TECHNOLOGY</b>	
8	Information technology services and projects..... \$	<u>28,483,300</u>
9	GROSS APPROPRIATION..... \$	28,483,300
10	Appropriated from:	
11	Federal revenues	
12	DOT-FHWA, highway research, planning, and construction	1,446,900
13	Special revenue funds:	
14	Blue Water Bridge fund.....	46,800
15	Comprehensive transportation fund.....	183,500
16	Economic development fund.....	37,100
17	Michigan transportation fund.....	242,600
18	State aeronautics fund.....	143,200
19	State trunkline fund.....	26,383,200
20	State general fund/general purpose..... \$	0
21	<b>Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES</b>	
22	Full-time equated classified positions .....243.5	
23	Finance, contracts and support services--243.5 FTE	
24	positions ..... \$	<u>24,674,100</u>
25	GROSS APPROPRIATION..... \$	24,674,100
26	Appropriated from:	
27	Special revenue funds:	
28	Michigan transportation fund.....	1,894,700
29	State trunkline fund.....	22,779,400

1	State general fund/general purpose.....	\$	0
2	<b>Sec. 108. TRANSPORTATION PLANNING</b>		
3	Full-time equated classified positions .....	176.0	
4	Transportation planning services--176.0 FTE positions.	\$	35,348,900
5	Grants to regional planning councils.....		<u>488,800</u>
6	GROSS APPROPRIATION.....	\$	35,837,700
7	Appropriated from:		
8	Federal revenues:		
9	DOT-FHWA, highway research, planning, and construction		22,000,000
10	Special revenue funds:		
11	Comprehensive transportation fund.....		960,300
12	Michigan transportation fund.....		6,304,500
13	State aeronautics fund.....		261,900
14	State trunkline fund.....		6,311,000
15	State general fund/general purpose.....	\$	0
16	<b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>		
17	Full-time equated classified positions .....	1,500.8	
18	Engineering services--785.1 FTE positions.....	\$	58,279,800
19	Program services--704.7 FTE positions.....		39,350,100
20	Intelligent transportation systems operations--11.0		
21	FTE positions .....		<u>10,091,100</u>
22	GROSS APPROPRIATION.....	\$	107,721,000
23	Appropriated from:		
24	Federal revenues:		
25	DOT-FHWA, highway research, planning, and construction		18,909,800
26	Special revenue funds:		
27	Michigan transportation fund.....		5,597,400
28	State trunkline fund.....		83,213,800
29	State general fund/general purpose.....	\$	0

1	<b>Sec. 110. HIGHWAY MAINTENANCE</b>	
2	Full-time equated classified positions .....	828.7
3	State trunkline operations--828.7 FTE positions.....	\$ <u>278,607,700</u>
4	GROSS APPROPRIATION .....	\$ 278,607,700
5	Appropriated from:	
6	Special revenue funds:	
7	State trunkline fund.....	278,607,700
8	State general fund/general purpose.....	\$ 0
9	<b>Sec. 111. ROAD AND BRIDGE PROGRAMS</b>	
10	State trunkline federal aid and road and bridge	
11	construction .....	\$ 951,515,600
12	Local federal aid and road and bridge construction....	268,570,000
13	Grants to local programs.....	33,000,000
14	Rail grade crossing.....	3,000,000
15	Local bridge program.....	29,618,400
16	County road commissions.....	623,396,400
17	Cities and villages.....	<u>347,571,400</u>
18	GROSS APPROPRIATION.....	\$ 2,256,671,800
19	Appropriated from:	
20	Federal revenues:	
21	DOT-FHWA, highway research, planning, and construction	1,042,941,800
22	Special revenue funds:	
23	Local funds.....	30,000,000
24	Blue Water Bridge fund.....	8,553,200
25	Local bridge fund.....	29,618,400
26	Michigan transportation fund.....	1,006,967,800
27	State trunkline fund.....	138,590,600
28	State general fund/general purpose.....	\$ 0
29	<b>Sec. 112. BLUE WATER BRIDGE</b>	

1	Full-time equated classified positions .....	41.0	
2	Blue water bridge operations--41.0 FTE positions.....		\$ 5,320,200
3	GROSS APPROPRIATION.....		\$ 5,320,200
4	Appropriated from:		
5	Special revenue funds:		
6	Blue Water Bridge fund.....		5,320,200
7	State general fund/general purpose.....	\$	0
8	<b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND</b>		
9	Forest roads.....	\$	5,000,000
10	Rural county urban system.....		2,500,000
11	Target industries/economic redevelopment.....		12,567,100
12	Urban county congestion.....		4,533,600
13	Rural county primary.....		4,533,600
14	GROSS APPROPRIATION.....	\$	29,134,300
15	Appropriated from:		
16	Special revenue funds:		
17	Economic development fund.....		29,134,300
18	State general fund/general purpose.....	\$	0
19	<b>Sec. 114. AERONAUTICS AND FREIGHT SERVICES</b>		
20	Full-time equated classified positions .....	84.0	
21	Aeronautics services--56.0 FTE positions.....	\$	7,110,500
22	Air service program.....		700,000
23	Freight and safety services--28.0 FTE positions.....		3,305,100
24	GROSS APPROPRIATION.....	\$	11,115,600
25	Appropriated from:		
26	Special revenue funds:		
27	State aeronautics fund.....		7,810,500
28	Comprehensive transportation fund.....		1,429,900
29	Michigan transportation fund.....		1,875,200



1	State general fund/general purpose.....	\$	0
2	<b>Sec. 115. PUBLIC TRANSPORTATION SERVICES</b>		
3	Full-time equated classified positions .....	46.0	
4	Public transportation services--46.0 FTE.....		
5	positions .....	\$	<u>5,316,500</u>
6	GROSS APPROPRIATION.....	\$	5,316,500
7	Appropriated from:		
8	Federal revenues:		
9	DOT, federal transit act.....		762,100
10	Special revenue funds:		
11	Comprehensive transportation fund.....		4,357,400
12	Michigan transportation fund.....		197,000
13	State general fund/general purpose.....	\$	0
14	<b>Sec. 116. BUS TRANSIT OPERATING ASSISTANCE</b>		
15	Local bus operating.....	\$	166,624,000
16	Nonurban operating/capital.....		<u>18,200,000</u>
17	GROSS APPROPRIATION.....	\$	184,824,000
18	Appropriated from:		
19	Federal revenues:		
20	DOT, federal transit act.....		17,000,000
21	Special revenue funds:		
22	Local funds.....		1,200,000
23	Comprehensive transportation fund.....		166,624,000
24	State general fund/general purpose.....	\$	0
25	<b>Sec. 117. INTERCITY PASSENGER AND FREIGHT</b>		
26	Freight property management.....	\$	1,000,000
27	Detroit/Wayne County port authority.....		500,000
28	Intercity services.....		8,650,000
29	Rail passenger service.....		8,200,000

1	Freight preservation and development.....	5,192,900
2	Rail infrastructure loan program.....	1,100,000
3	Marine passenger services.....	500,000
4	Terminal development.....	<u>1,300,000</u>
5	GROSS APPROPRIATION.....	\$ 26,442,900
6	Appropriated from:	
7	Federal revenues:	
8	DOT, federal transit act.....	4,500,000
9	DOT-FRA, local rail service assistance.....	100,000
10	DOT-FRA, rail passenger/HSGT.....	1,000,000
11	Special revenue funds:	
12	Local funds.....	50,000
13	Comprehensive transportation fund.....	17,792,900
14	Intercity bus equipment fund.....	1,000,000
15	Rail freight fund.....	2,000,000
16	State general fund/general purpose.....	\$ 0
17	<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
18	Specialized services.....	\$ 9,500,100
19	Municipal credit program.....	2,000,000
20	Bus capital.....	48,613,600
21	Van pooling.....	195,000
22	Service initiatives.....	916,500
23	Transportation to work.....	<u>12,244,000</u>
24	GROSS APPROPRIATION.....	\$ 73,469,200
25	Appropriated from:	
26	Federal revenues:	
27	DOT, federal transit act.....	37,000,000
28	Special revenue funds:	
29	Local funds.....	11,600,000

1	Comprehensive transportation fund.....	24,869,200
2	State general fund/general purpose..... \$	0

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4 PART 2

5 PROVISIONS CONCERNING APPROPRIATIONS

6 GENERAL SECTIONS

7 Sec. 201. Pursuant to section 30 of article IX of the state  
8 constitution of 1963, total state spending from state resources  
9 under part 1 for fiscal year 2007-2008 is \$2,121,665,000.00 and  
10 state spending from state resources to be paid to local units of  
11 government for fiscal year 2007-2008 is \$1,242,823,900.00. The  
12 itemized statement below identifies appropriations from which  
13 spending to units of local government will occur:

14 DEPARTMENT OF TRANSPORTATION

15	Grants to local programs.....	\$ 33,000,000
16	Economic development fund.....	16,567,200
17	Grants to cities and villages.....	347,571,400
18	Grants to county road commissions.....	623,396,400
19	Local bridge fund.....	29,618,400
20	Grants to regional planning councils.....	488,800
21	Local bus operating.....	166,624,000
22	Bus capital.....	13,613,600
23	Marine passenger service.....	500,000
24	Detroit/Wayne County port authority.....	500,000
25	Municipal credit program.....	2,000,000
26	Specialized services.....	4,100,100
27	Transportation to work.....	<u>4,844,000</u>
28	Total payments to local units of government..... \$	1,242,823,900

1       Sec. 202. The appropriations authorized under this bill are  
2 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
3 to 18.1594.

4       Sec. 203. As used in this bill:

5       (a) "CTF" means comprehensive transportation fund.

6       (b) "Department" means the department of transportation.

7       (c) "DOT" means the United States department of  
8 transportation.

9       (d) "DOT-FHWA" means DOT, federal highway administration.

10       (e) "DOT-FRA" means DOT, federal railroad administration.

11       (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad  
12 administration, high-speed ground transportation.

13       (g) "EDF" means economic development fund.

14       (h) "FTE" means full-time equated.

15       (i) "MTF" means Michigan transportation fund.

16       (j) "RIF" means recreation improvement fund.

17       (k) "SAF" means state aeronautics fund.

18       (l) "STF" means state trunkline fund.

19       Sec. 204. The department of civil service shall bill the  
20 departments and agencies at the end of the first fiscal quarter for  
21 the 1% charge authorized by section 5 of article XI of the state  
22 constitution of 1963. Payments shall be made for the total amount  
23 of the billing by the end of the second fiscal quarter.

24       Sec. 205. (1) A hiring freeze is imposed on the state  
25 classified civil service. State departments and agencies are  
26 prohibited from hiring any new full-time state classified civil  
27 service employees and prohibited from filling any vacant state  
28 classified civil service positions. This hiring freeze does not

1 apply to internal transfers of classified employees from 1 position  
2 to another within a department.

3 (2) The state budget director may grant exceptions to this  
4 hiring freeze when the state budget director believes that the  
5 hiring freeze will result in rendering a state department or agency  
6 unable to deliver basic services, cause loss of revenue to the  
7 state, result in the inability of the state to receive federal  
8 funds, or necessitate additional expenditures that exceed any  
9 savings from maintaining a vacancy. The state budget director  
10 shall report quarterly to the chairpersons of the senate and house  
11 of representatives standing committees on appropriations the number  
12 of exceptions to the hiring freeze approved during the previous  
13 quarter and the reasons to justify the exception.

14 Sec. 206. (1) In addition to the funds appropriated in part 1,  
15 there is appropriated an amount not to exceed \$200,000,000.00 for  
16 federal contingency funds. These funds are not available for  
17 expenditure until they have been transferred to another line item  
18 in this bill pursuant to section 393(2) of the management and  
19 budget act, 1984 PA 431, MCL 18.1393.

20 (2) In addition to the funds appropriated in part 1, there is  
21 appropriated an amount not to exceed \$40,000,000.00 for state  
22 restricted contingency funds. These funds are not available for  
23 expenditure until they have been transferred to another line item  
24 in this bill pursuant to section 393(2) of the management and  
25 budget act, 1984 PA 431, MCL 18.1393.

26 (3) In addition to the funds appropriated in part 1, there is  
27 appropriated an amount not to exceed \$1,000,000.00 for local  
28 contingency funds. These funds are not available for expenditure  
29 until they have been transferred to another line item in this bill

1 pursuant to section 393(2) of the management and budget act, 1984  
2 PA 431, MCL 18.1393.

3 (4) In addition to the funds appropriated in part 1, there is  
4 appropriated an amount not to exceed \$1,000,000.00 for private  
5 contingency funds. These funds are not available for expenditure  
6 until they have been transferred to another line item in this bill  
7 pursuant to section 393(2) of the management and budget act, 1984  
8 PA 431, MCL 18.1393.

9 Sec. 208. The department shall use the Internet to fulfill  
10 the reporting requirements of this bill. This requirement may  
11 include transmission of reports via electronic mail to the  
12 recipients identified for each reporting requirement or it may  
13 include placement of reports on an Internet or Intranet site.

14 Sec. 209. Funds appropriated in part 1 shall not be used for  
15 the purchase of foreign goods or services, or both, if  
16 competitively priced and of comparable quality American goods or  
17 services, or both, are available. Preference should be given to  
18 goods or services, or both, manufactured or provided by Michigan  
19 businesses if they are competitively priced and of comparable  
20 quality.

21 Sec. 210. The director shall take all reasonable steps to  
22 ensure businesses in deprived and depressed communities compete for  
23 and perform contracts to provide services or supplies, or both.  
24 The director shall strongly encourage firms with which the  
25 department contracts to subcontract with certified businesses in  
26 deprived and depressed communities for services, supplies, or both.

27 Sec. 258. Amounts appropriated in part 1 for information  
28 technology may be designated as work projects and carried forward  
29 to support technology projects under the direction of the

1 department of information technology. Funds designated in this  
2 manner are not available for expenditure until approved as work  
3 projects under section 451a of the management and budget act, 1984  
4 PA 431, MCL 18.1451a.

5 Sec. 259. From the funds appropriated in part 1 for  
6 information technology, the department shall pay user fees to the  
7 department of information technology for technology-related  
8 services and projects. Such user fees shall be subject to  
9 provisions of an interagency agreement between the department and  
10 the department of information technology.

11 Sec. 260. (1) Due to the current budgetary problems in this  
12 state, out-of-state travel shall be limited to situations in which  
13 1 or more of the following conditions apply:

14 (a) The travel is required by legal mandate or court order or  
15 for law enforcement purposes.

16 (b) The travel is necessary to protect the health or safety of  
17 Michigan citizens or visitors or to assist other states in similar  
18 circumstances.

19 (c) The travel is necessary to produce budgetary savings or to  
20 increase state revenues, including protecting existing federal  
21 funds or securing additional federal funds.

22 (d) The travel is necessary to comply with federal  
23 requirements.

24 (e) The travel is necessary to secure specialized training for  
25 staff that is not available within this state.

26 (f) The travel is financed entirely by federal or nonstate  
27 funds.

28 (2) If out-of-state travel is necessary but does not meet 1 or  
29 more of the conditions in subsection (1), the state budget director

1 may grant an exception to allow the travel. Any exceptions granted  
2 by the state budget director shall be reported on a monthly basis  
3 to the senate and house of representatives standing committees on  
4 appropriations.

5 (3) Not later than January 1 of each year, each department  
6 shall prepare a travel report listing all travel by classified and  
7 unclassified employees outside this state in the immediately  
8 preceding fiscal year that was funded in whole or in part with  
9 funds appropriated in the department's budget. The report shall be  
10 submitted to the chairs and members of the house and senate  
11 standing committees on appropriations, the fiscal agencies, and the  
12 state budget director. The report shall include the following  
13 information:

14 (a) The name of each person receiving reimbursement for travel  
15 outside this state or whose travel costs were paid by this state.

16 (b) The destination of each travel occurrence.

17 (c) The dates of each travel occurrence.

18 (d) A brief statement of the reason for each travel  
19 occurrence.

20 (e) The transportation and related costs of each travel  
21 occurrence, including the proportion funded with state general  
22 fund/general purpose revenues, the proportion funded with state  
23 restricted revenues, the proportion funded with federal revenues,  
24 and the proportion funded with other revenues.

25 (f) A total of all out-of-state travel funded for the  
26 immediately preceding fiscal year.

27

28



1     **DEPARTMENTAL SECTIONS**

2           Sec. 301. (1) The department may establish a fee schedule and  
3 collect fees sufficient to cover the costs to issue the permits  
4 that the department is authorized by law to issue upon request,  
5 unless otherwise stipulated by law. All permit fees are  
6 nonrefundable application fees and shall be credited to the state  
7 trunkline fund to recover the direct and indirect costs of  
8 receiving, reviewing, and processing the requests.

9           (2) A bridge authority shall hold 3 public hearings on an  
10 increase in any toll charged by the authority at least 30 days  
11 before the toll change will become effective. Two of the hearings  
12 shall be held within 5 miles of the bridge over which the bridge  
13 authority has jurisdiction. One hearing shall be held in Lansing.  
14 Public hearings held under this section shall be conducted in  
15 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to  
16 15.275, and shall be conducted so as to provide a reasonable  
17 opportunity for public comment, including both spoken and written  
18 comments.

19          Sec. 304. If, as a requirement of bidding on a highway  
20 project, the department requires a contractor to submit financial  
21 or proprietary documentation as to how the bid was calculated, that  
22 bid documentation shall be kept confidential and shall not be  
23 disclosed other than to a department representative without the  
24 contractor's written consent. The department may disclose the bid  
25 documentation if necessary to address or defend a claim by a  
26 contractor.

27          Sec. 305. The department may permit space on state-owned  
28 public passenger transportation properties to be occupied by public  
29 or private tenants on a competitive market rate basis. The

1 department shall require that revenue from the tenants be placed in  
2 an account to be used to pay the costs to maintain and improve the  
3 property. Funds in excess of those needed to maintain the property  
4 shall be deposited into the appropriate fund.

5       Sec. 306. Biennially, in each even numbered fiscal year, the  
6 auditor general shall conduct an audit of charges to transportation  
7 funds by state departments for the 2 preceding fiscal years. The  
8 auditor general shall prepare a detailed report, with  
9 recommendations and conclusions, including a list of services  
10 charged to transportation funds, the appropriateness of those  
11 charges, the cost allocation methodologies used in determining the  
12 level of funding, and any unreimbursed costs. The report shall be  
13 provided to the senate and house of representatives committees on  
14 appropriations, the senate and house fiscal agencies, and the state  
15 budget director 9 months after publication of the state of Michigan  
16 comprehensive annual financial report.

17       Sec. 307. Before February 1 of each year, the department will  
18 provide to the legislature, the state budget director, and the  
19 house and senate fiscal agencies its rolling 5-year plan listing by  
20 county or by county road commission all highway construction  
21 projects for the fiscal year and all expected projects for the  
22 ensuing fiscal years.

23       Sec. 308. The department and local road agencies that receive  
24 appropriations under this bill shall pursue compliance with  
25 contract specifications for construction and maintenance of state  
26 highways and local roads and streets. Work shall not be accepted  
27 and paid for until it complies with contract requirements.  
28 Contractors with unsatisfactory performance ratings shall be  
29 restricted from future bidding through the prequalification process

1 established by the department or a local road agency. The  
2 department, county road commissions, and cities and villages shall  
3 report to the house of representatives and senate appropriations  
4 subcommittees on transportation, the senate and house fiscal  
5 agencies, and the state budget director on their respective  
6 activities under this section.

7       Sec. 310. The department shall provide in a timely manner  
8 copies of the agenda and approved minutes of monthly transportation  
9 commission meetings to the members of the house and senate  
10 appropriations subcommittees on transportation, the house and  
11 senate fiscal agencies, and the state budget director.

12       Sec. 312. At the close of the fiscal year, any unencumbered  
13 and unexpended balance in the state trunkline fund shall remain in  
14 the state trunkline fund and shall carry forward and is  
15 appropriated for federal aid road and bridge programs for projects  
16 contained in the annual state transportation program.

17       Sec. 313. (1) From funds appropriated in part 1, the  
18 department may increase a state infrastructure bank program and  
19 grant or loan funds in accordance with regulations of the state  
20 infrastructure bank program of the United States department of  
21 transportation. The state infrastructure bank is to be  
22 administered by the department for the purpose of providing a  
23 revolving, self-sustaining resource for financing transportation  
24 infrastructure projects.

25       (2) In addition to funds provided in subsection (1), money  
26 received by the state as federal grants, repayment of state  
27 infrastructure bank loans, or other reimbursement or revenue  
28 received by the state as a result of projects funded by the program  
29 and interest earned on that money shall be deposited in the

1 revolving state infrastructure bank fund and shall be available for  
2 transportation infrastructure projects. At the close of the fiscal  
3 year, any unencumbered funds remaining in the state infrastructure  
4 bank fund shall remain in the fund and be carried forward into the  
5 succeeding fiscal year.

6 Sec. 324. From the funds appropriated in part 1, up to  
7 \$500,000.00 from the state trunkline fund shall be used for  
8 enhanced construction zone traffic law enforcement and the "give  
9 'em a brake" campaign. The funding shall be used to reimburse law  
10 enforcement agencies for costs associated with construction zone  
11 traffic enforcement. The funding shall be provided based on  
12 approved memoranda of understanding between the department and  
13 participating law enforcement agencies.

14 Sec. 334. The department shall continue its program to  
15 increase the use of women- and minority-owned businesses in state  
16 and local road construction projects. This program shall comprise,  
17 at a minimum, outreach and education efforts to inform women- and  
18 minority-owned firms of department competitive bidding processes  
19 and requirements, and an assessment of the availability of surety  
20 for women- and minority-owned businesses.

21 Sec. 375. The department is prohibited from reimbursing  
22 contractors or consultants for costs associated with groundbreaking  
23 ceremonies, receptions, open houses, or press conferences related  
24 to transportation projects funded, in whole or in part, by revenue  
25 appropriated in part 1.

26  
27 **FEDERAL**

28 Sec. 401. Within 30 days of receiving the applicable fiscal  
29 year authorization from the federal government to commit

1 transportation funds, the department shall notify local agency  
2 representatives, the senate and house of representatives  
3 appropriations transportation subcommittees, the senate and house  
4 fiscal agencies, and the state budget director regarding the amount  
5 of federal aid for categorical allocations to state and local  
6 agency programs not specifically allocated in either federal or  
7 state law.

8       Sec. 402. A portion of the federal DOT-FHWA highway research,  
9 planning, and construction funds made available to the state shall  
10 be allocated to transportation programs administered by local  
11 jurisdictions in accordance with section 10o of 1951 PA 51, MCL  
12 247.660o. A local road agency, with respect to a project approved  
13 for federal aid funding in a state transportation improvement  
14 program, may enter into a voluntary buyout agreement with the  
15 department or with another local road agency to exchange the  
16 federal aid with state restricted transportation funds as agreed to  
17 by the respective parties. The state-restricted transportation  
18 funds received in exchange for federal aid funds shall be used for  
19 the same purpose as the federal aid funds were originally intended.

#### 20 21 **MICHIGAN TRANSPORTATION FUND**

22       Sec. 501. The money received under the motor carrier act,  
23 1933 PA 254, MCL 475.1 to 479.43, and not appropriated to the  
24 department of labor and economic growth or the department of state  
25 police is deposited in the Michigan transportation fund.

26       Sec. 502. The department of treasury shall perform audits and  
27 make investigations of the disposition of all state funds received  
28 by county road commissions or county boards of commissioners, as  
29 applicable, and cities and villages for transportation purposes to

1 determine compliance with the terms and conditions of 1951 PA 51,  
2 MCL 247.651 to 247.675. County road commissions or county boards  
3 of commissioners, as applicable, and cities and villages shall make  
4 available to the department of treasury the pertinent records for  
5 the audit.

6 Sec. 503. (1) The funds appropriated in part 1 for the  
7 economic development and local bridge programs shall not lapse at  
8 the end of the fiscal year but shall carry forward each fiscal year  
9 for the purposes for which appropriated in accordance with 1987 PA  
10 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL  
11 247.660.

12 (2) Interest earned in the department of transportation  
13 economic development fund and local bridge fund shall remain in the  
14 respective funds and shall be allocated to the respective programs.

15 (3) The department of transportation economic development fund  
16 and local bridge fund may receive and expend federal, local, or  
17 private funds or restricted source funds such as interest earnings  
18 for projects that are consistent with the programmatic mission of  
19 the respective funds in addition to funds appropriated in part 1.

20 (4) None of the funds statutorily dedicated to the  
21 transportation economic development fund and local bridge fund  
22 shall be diverted to other projects.

23 Sec. 504. (1) Funds from the Michigan transportation fund  
24 (MTF) shall be distributed to the comprehensive transportation fund  
25 (CTF), the economic development fund (EDF), the recreation  
26 improvement fund (RIF), and the state trunkline fund (STF), in  
27 accordance with this bill and part 711 of the natural resources and  
28 environmental protection act, 1994 PA 451, MCL 324.71101 to  
29 324.71108, and may only be used as specified in this bill, 1951 PA

1 51, MCL 247.651 to 247.675, and part 711 of the natural resources  
2 and environmental protection act, 1994 PA 451, MCL 324.71101 to  
3 324.71108.

4 (2) The amounts appropriated and transferred to various state  
5 agencies from interdepartment and statutory grants in part 1 shall  
6 be expended from the transportation funds pursuant to annual  
7 contracts between the department and state agencies providing tax  
8 and fee collection and other services applicable to transportation  
9 funds. The contracts shall be executed prior to the transfer of  
10 these funds. The contracts shall provide, but are not limited to,  
11 the following data applicable to each state agency:

12 (a) Estimated costs to be recovered from transportation funds.

13 (b) Description of services financed with transportation  
14 funds.

15 (c) Detailed cost allocation methods that are appropriate to  
16 the type of services being provided and the activities financed  
17 with transportation funds.

18 (3) Two months after publication of the state of Michigan  
19 comprehensive annual financial report, each state agency receiving  
20 an interdepartment and statutory contract from the department shall  
21 submit a written report to the department, the state budget  
22 director, and the house and senate fiscal agencies stating by  
23 spending authorization account the amount of estimated funds  
24 contracted with the department, the amount of funds expended, the  
25 amount of funds returned to the transportation funds, and any  
26 unreimbursed transportation-related costs incurred but not billed  
27 to transportation funds. A copy of the report shall be submitted  
28 to the auditor general and the report shall be subject to audit by  
29 the auditor general.

**STATE TRUNKLINE FUND**

Sec. 601. The department shall work with the road construction industry and engineering consulting community to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects.

Sec. 602. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load-bearing conditions beneath the roadway meets the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house of representatives and senate appropriations subcommittees on transportation and house and senate fiscal agencies, and the state budget director.

Sec. 603. The department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before February 1, 2008. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.



1       Sec. 611. From the appropriations in part 1, the department  
2 shall use high-quality pavement marking materials for all state  
3 trunkline projects with a design life of 10 years or greater. The  
4 department shall coordinate with material suppliers, equipment  
5 manufacturers, and application contractors to ensure cost-effective  
6 improvements in durability and retro-reflectivity.

7  
8       **COMPREHENSIVE TRANSPORTATION FUND**

9       Sec. 701. Money that is received by the state as a lease  
10 payment for state-owned intercity bus equipment is not money to be  
11 deposited in the comprehensive transportation fund under section  
12 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in  
13 an intercity bus equipment fund for appropriation for the purchase  
14 and repair of intercity bus equipment. Proceeds received by the  
15 state from the sale of intercity bus equipment are deposited in an  
16 intercity bus equipment fund for appropriation for the purchase and  
17 repair of intercity bus equipment. Security deposits from the  
18 lease of state-owned intercity bus equipment not returned to the  
19 lessee of the equipment under terms of the lease agreement are  
20 deposited in an intercity bus equipment fund for appropriation for  
21 the repair of intercity bus equipment. At the close of the fiscal  
22 year, any funds remaining in the intercity bus equipment fund shall  
23 remain in the fund and be carried forward into the succeeding  
24 fiscal year.

25       Sec. 702. Money that is received by the state as repayment for  
26 loans made for rail or water freight capital projects, and as a  
27 result of the sale of property or equipment used or projected to be  
28 used for rail or water freight projects shall be deposited in the  
29 fund created by section 17 of the state transportation preservation

1 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal  
2 year, any funds remaining in the rail freight fund shall remain in  
3 the fund and be carried forward into the succeeding fiscal year.

4 Sec. 706. The Detroit/Wayne County port authority shall issue  
5 a complete operations assessment and a financial disclosure  
6 statement. The operations assessment shall include operational  
7 goals for the next 5 years and recommendations to improve land  
8 acquisition and development efficiency. The report shall be  
9 completed and submitted to the house of representatives and senate  
10 appropriations subcommittees on transportation, the state budget  
11 director, and the house and senate fiscal agencies by February 15  
12 of each fiscal year for the prior fiscal year.

13 Sec. 707. For the fiscal year ending September 30, 2008, each  
14 eligible authority and each eligible governmental agency which  
15 provides public transportation services in urbanized areas with a  
16 Michigan population of less than or equal to 100,000 and  
17 nonurbanized areas under section 5311 of title 49 of the United  
18 States Code, 49 USC 5311, shall receive a grant of up to 60% of its  
19 eligible operating expenses. Each eligible authority and each  
20 eligible government agency which provides public transportation  
21 services in urbanized areas with a Michigan population of greater  
22 than 100,000 under section 5307 of title 49 of the United States  
23 Code, 49 USC 5307, shall receive a grant of up to 50% of its  
24 eligible operating expenses.

25 Sec. 708. If funds appropriated in part 1 are used to provide  
26 state-owned or state-leased buses to private intercity bus  
27 carriers, the department shall charge not less than \$1,000.00 per  
28 bus per year for their use.

1       Sec. 711. (1) From the funds appropriated in part 1 from the  
2 comprehensive transportation fund for rail passenger service, the  
3 department shall negotiate with a rail carrier to provide rail  
4 service between Grand Rapids and Chicago and between Port Huron and  
5 Chicago on a 7-day basis, consistent with the other provisions of  
6 this section.

7       (2) The rail carrier shall, as a condition to receiving a  
8 state operating subsidy, maintain a system to monitor, collect, and  
9 resolve customer complaints and shall make the information  
10 available to the department, the house and senate appropriations  
11 subcommittees on transportation, and the house and senate fiscal  
12 agencies.

13       Sec. 714. The department, in cooperation with local transit  
14 agencies, shall work to ensure that demand-response services are  
15 provided throughout Michigan. The department shall continue to work  
16 with local units of government to address the unmet transit needs  
17 in Michigan.

18       Sec. 721. For federal transit administration bus acquisition  
19 capital grants matched with CTF funds appropriated in part 1,  
20 transit agencies shall have 4 years from the federal approval date  
21 to carry out their projects. Contract line items unobligated 4  
22 years after the federal approval date may be matched with CTF funds  
23 only up to 15% in the fifth and subsequent years. "Unobligated"  
24 means any line item in the contract that is not committed to a  
25 third party or purchase order. A waiver shall be granted by the  
26 department for an additional year with documented justification  
27 from the transit agency accompanied by a resolution from the board  
28 or authority seeking a waiver. If a transit agency does not carry  
29 out a line item activity in a specific authorization and the

1 transit agency requests funds in a new authorization for that same  
2 activity, the line item shall be matched at up to 15%. This  
3 section applies only to bus acquisition capital grants. Lapsed  
4 funds under this section shall remain in the CTF.

5  
6 **AERONAUTICS FUND**

7       Sec. 801. At the close of the fiscal year, any unobligated and  
8 unexpended balance in the state aeronautics fund created in the  
9 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1  
10 to 259.208, shall lapse to the state aeronautics fund and be  
11 appropriated by the legislature in the immediately succeeding  
12 fiscal year.

13       Sec. 805. State aeronautics funds appropriated in part 1 for  
14 airport safety and protection plan debt service are transferred to  
15 the comprehensive transportation fund and are appropriated for the  
16 purpose of reimbursing comprehensive transportation fund debt  
17 service obligations for the airport safety and protection plan  
18 program.